

7 Mile Advisors



# Sectorwatch: Management Consulting

November 2021



# Management Consulting

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# Overview

**7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.**

We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

## DASHBOARD

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.

## PUBLIC BASKET PERFORMANCE

- Summary valuation and operating metrics for a basket of comparable public companies.

## VALUATION COMPARISON

- Graphical, detailed comparison of valuation multiples for the public basket.

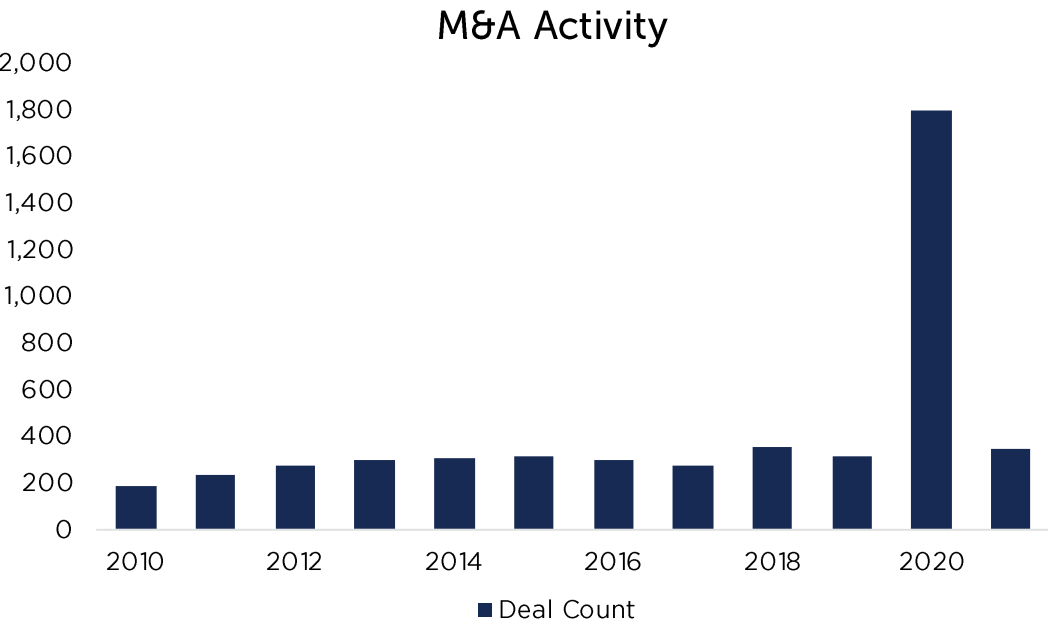
## RECENT DEALS

- The most recently announced deals in the sector

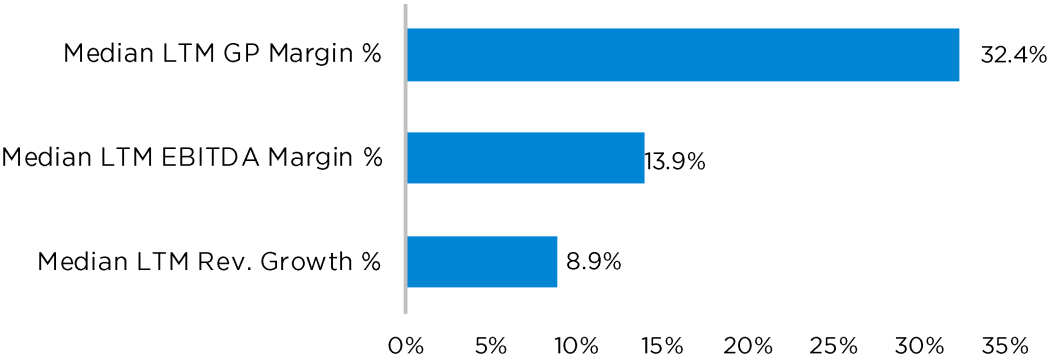
# Dashboard

## REVENUE GROWTH MOMENTUM ↑1.2%

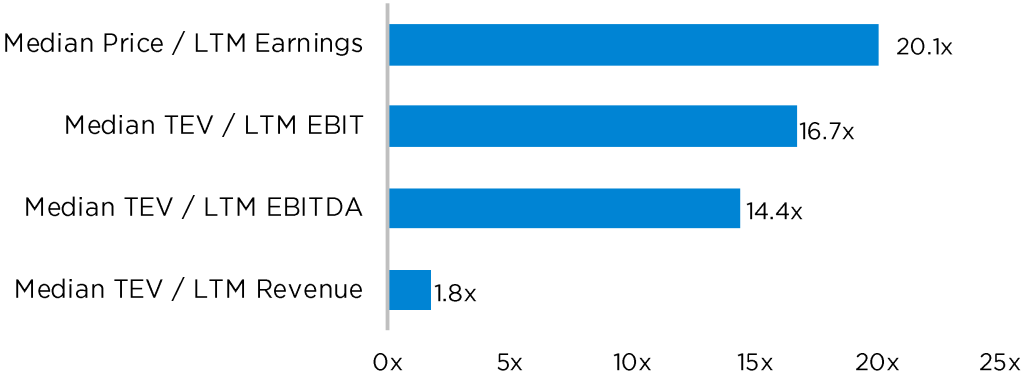
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



## Operating Metrics



## Valuation



# Public Basket Overview

Management  
Consulting

Commercial Services

IT Services

 The Hackett Group  
World Class Defined and Enabled 

 **FTI**  
CONSULTING  
GLOBAL 

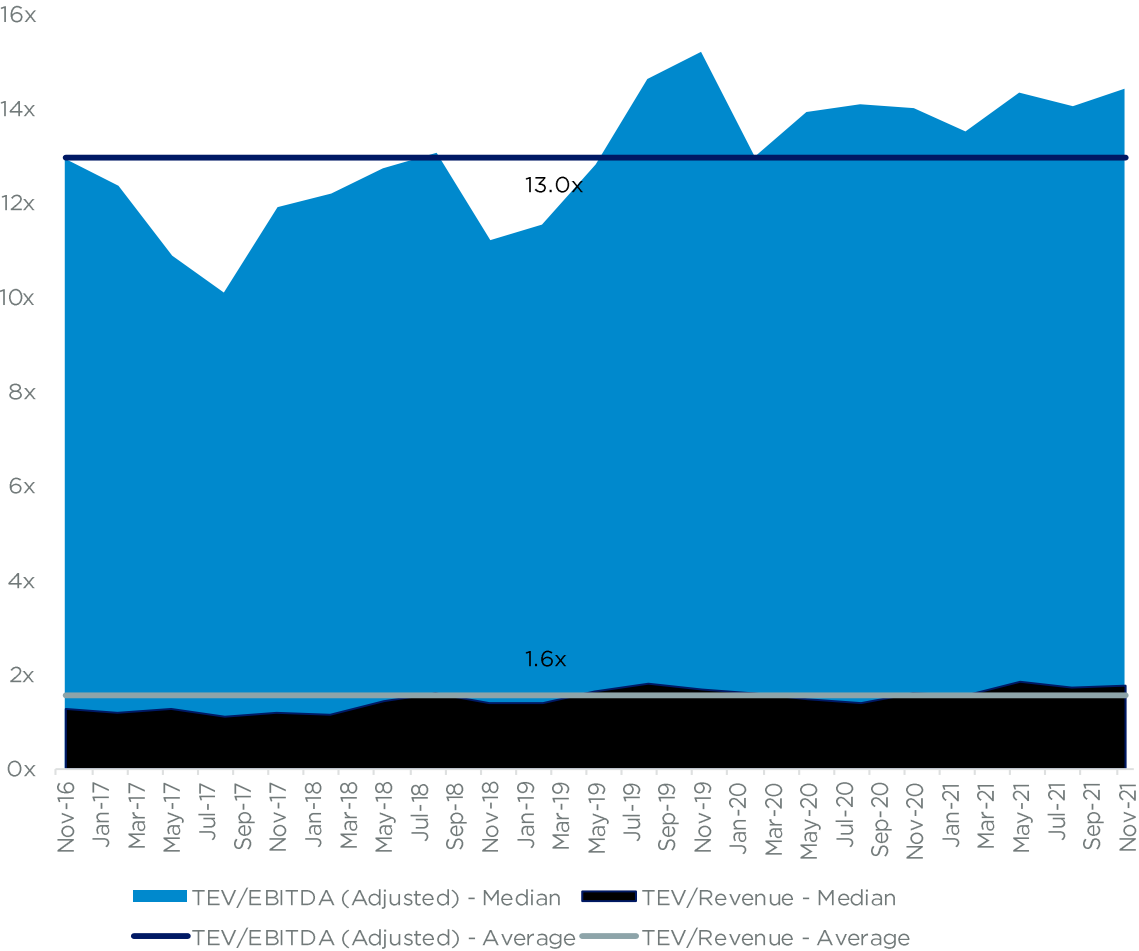
 **ICF**  **accenture** Booz | Allen | Hamilton

# Public Basket

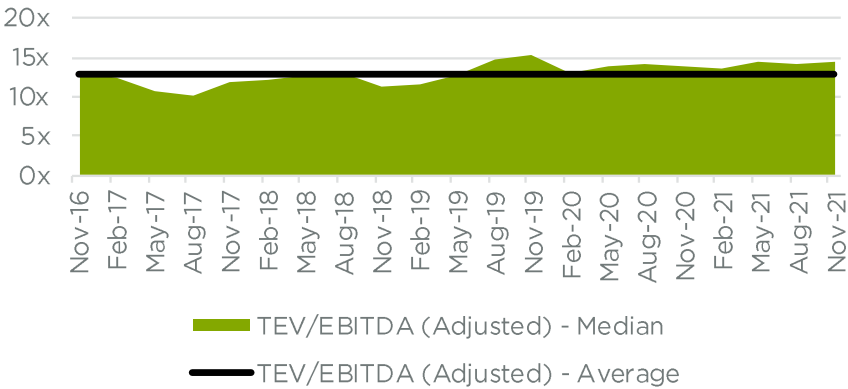
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture	224,789	8,341	50,533	14.0%	32.4%	16.5%	4.4x	26.9x	624,000	81
Booz Allen	14,001	884	7,978	2.4%	53.9%	11.1%	1.8x	15.8x	29,200	273
FTI Consulting	5,345	380	2,727	11.9%	31.4%	13.9%	2.0x	14.1x	6,690	408
ICF International	2,387	166	1,599	8.9%	35.7%	10.4%	1.5x	14.4x	7,500	213
Huron Consulting Group	1,433	99	866	-6.5%	28.9%	11.4%	1.7x	14.5x	3,807	228
Charles River Associates	893	80	569	16.0%	28.3%	14.1%	1.6x	11.2x	882	645
The Hackett Group	618	56	268	7.4%	36.8%	21.1%	2.3x	10.9x	1,047	256
<b>Average</b>	35,638	1,429	9,220	7.7%	35.3%	14.1%	2.2x	15.4x	96,161	300
<b>Median</b>	2,387	166	1,599	8.9%	32.4%	13.9%	1.8x	14.4x	6,690	256

share price as of 29Nov21

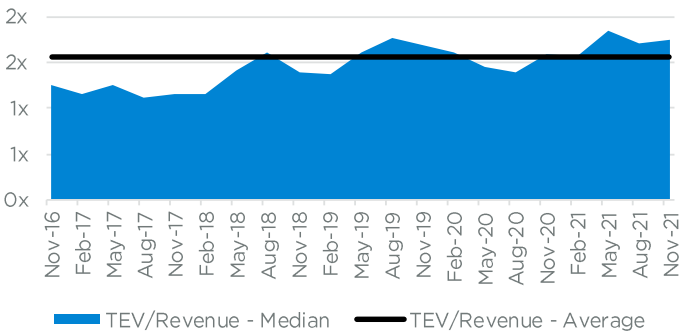
# Public Basket



## Public EBITDA Multiples over Time

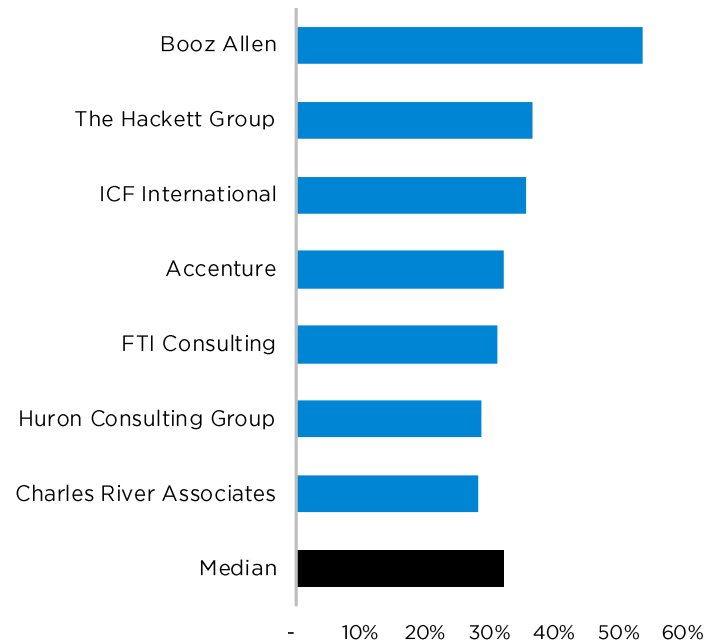


## Public Revenue Multiples over Time

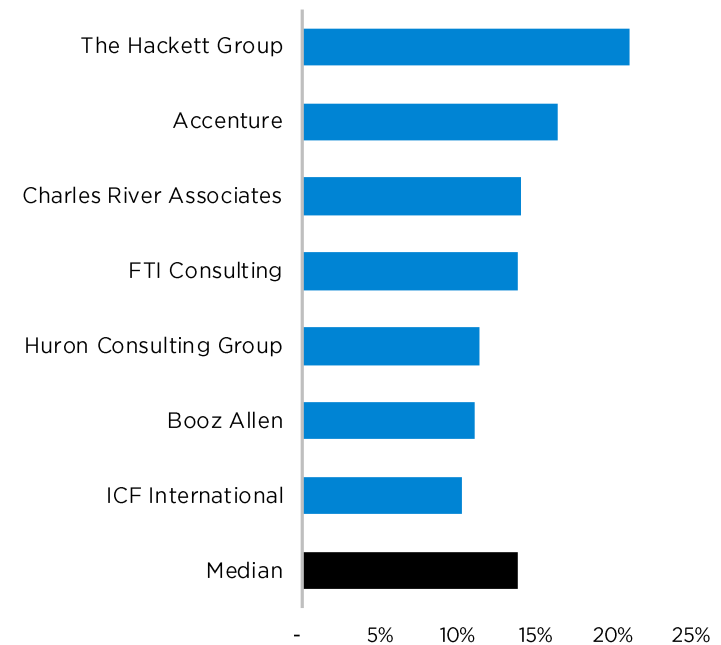


# Operational Metrics

LTM Gross Profit Margin %



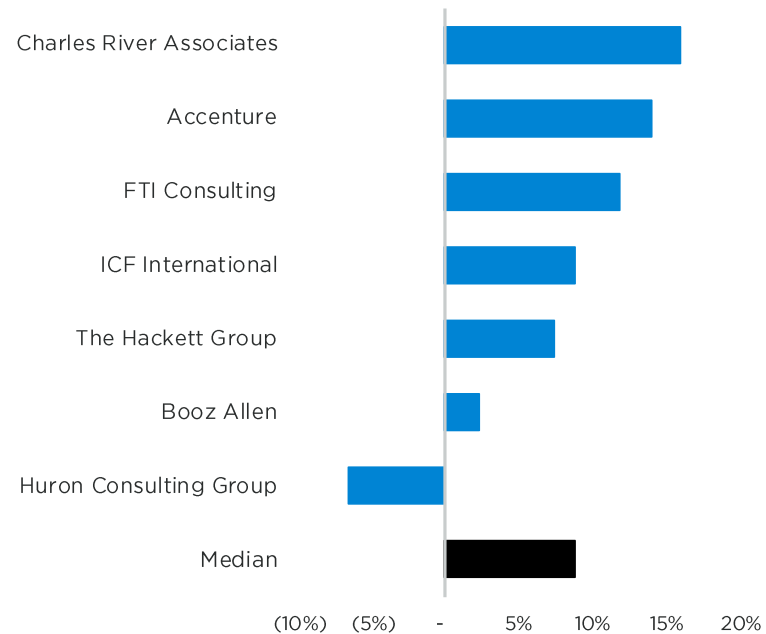
LTM EBITDA %





# Operational Metrics

LTM Revenue Growth %

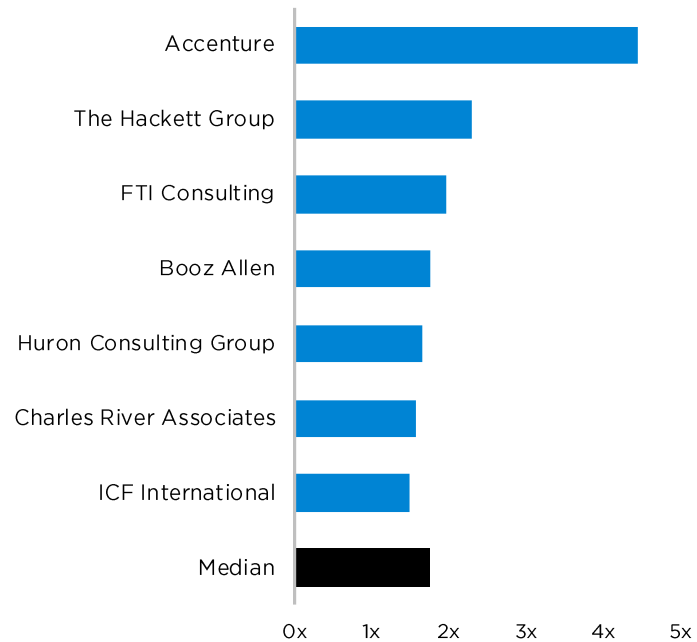


LTM Revenue per Full Time Employee x 000's

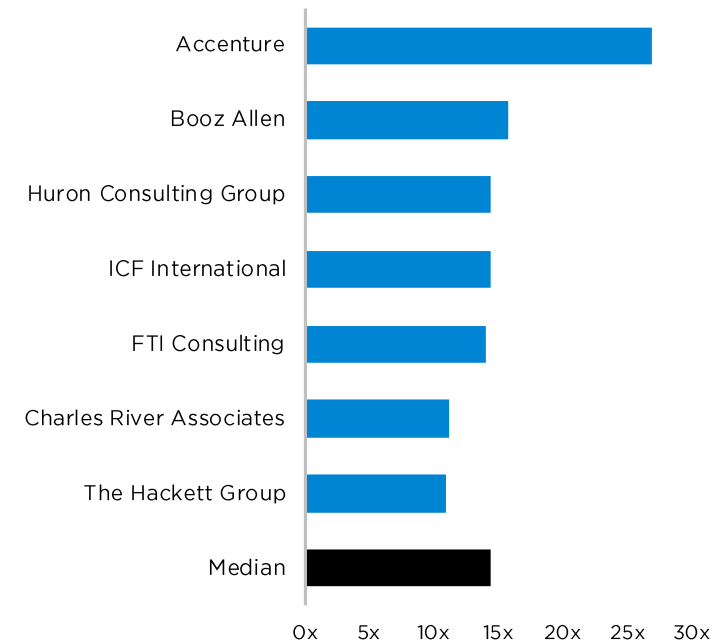


# Valuation

TEV / LTM Revenue

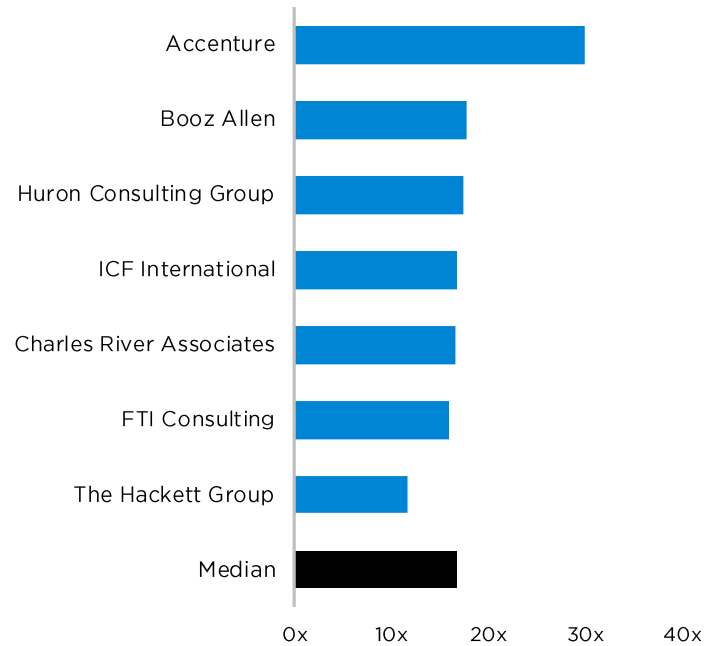


TEV / LTM EBITDA

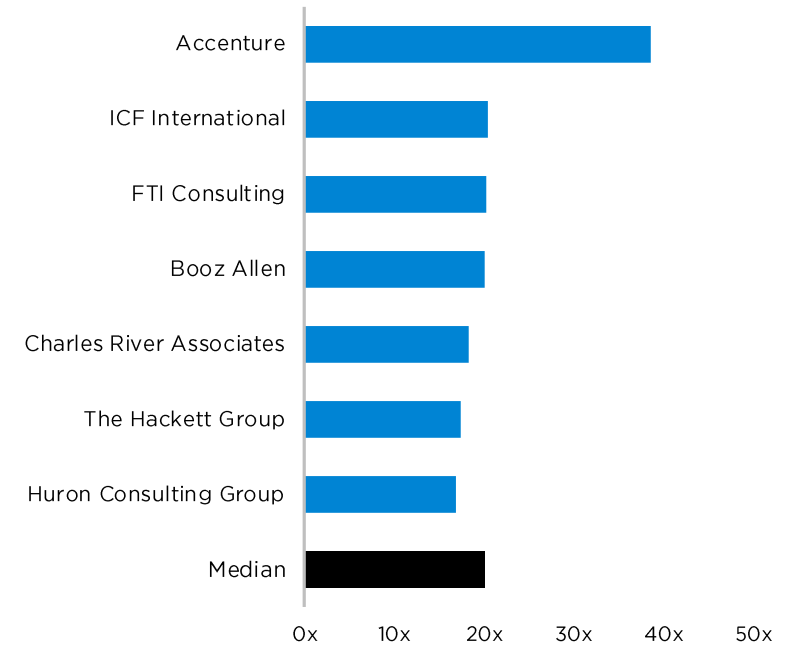


# Valuation

TEV / LTM EBIT

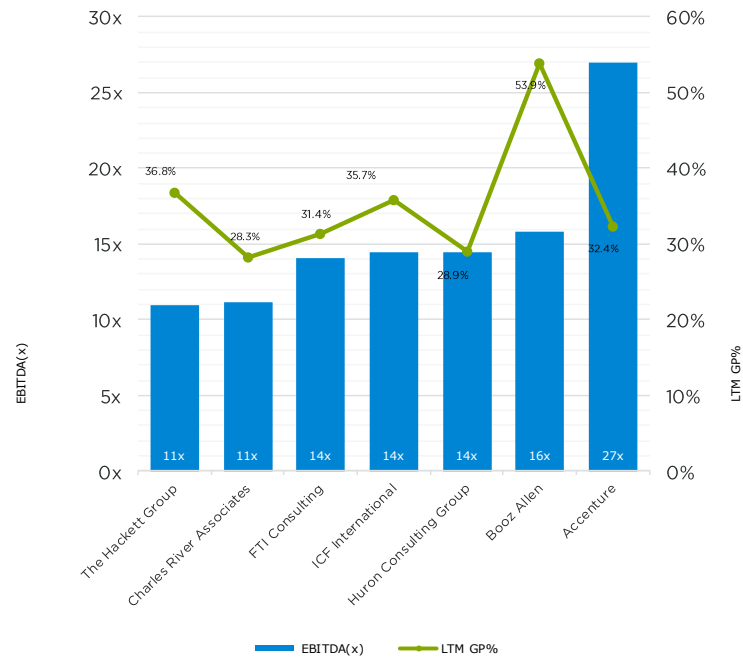


Price / LTM Earnings

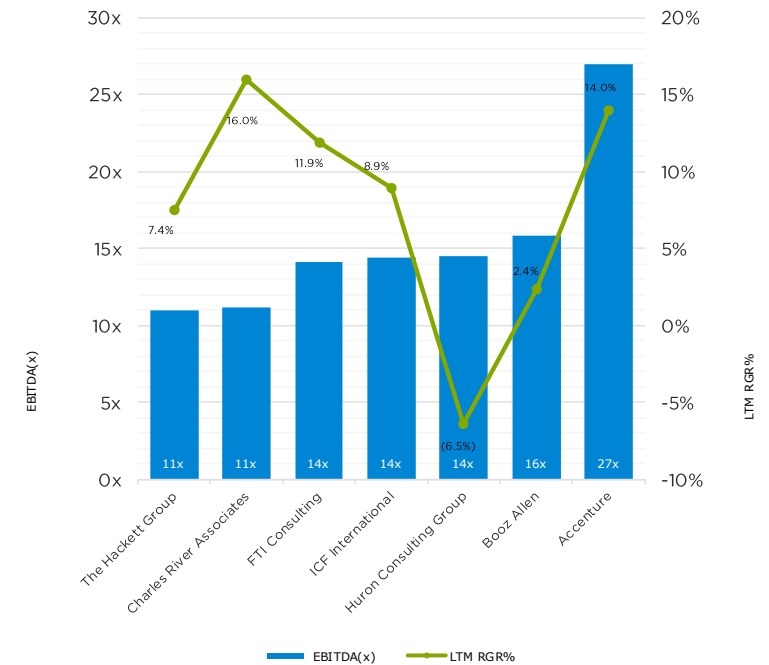


# Valuation

## Historical Valuation Multiples versus Gross Profit



## Historical Valuation Multiples versus Revenue Growth Rate



# Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue (TTM at time of deal)	TEV / Revenue	TEV / EBITDA
22-Nov-21	ImproValue	A2 Mac1	-	-	-	-
22-Nov-21	Kaufman Wills Fusting & Company	KnowledgeWorks Global	-	-	-	-
19-Nov-21	Infinite Leap	Halma	47.00	-	-	-
18-Nov-21	Amicus Management	Gantry Business Solutions	-	-	-	-
18-Nov-21	Ankura Consulting Group	HPS Investment Partners	-	-	-	-
18-Nov-21	Brush Creek Partners	Baldwin Risk Partners	-	-	-	-
17-Nov-21	Greyline Partners	Astorg (Paris)	-	-	-	-
16-Nov-21	Darlene Plumly, CPA	Doeren Mayhew	-	-	-	-
16-Nov-21	Envigorate Healthcare Solutions	Futura Mobility	-	-	-	-
15-Nov-21	Beacon Pointe Advisors	Kohlberg Kravis Roberts	-	-	-	-
12-Nov-21	Galt & Company	AlixPartners	-	-	-	-
10-Nov-21	Zigr	-	2.80	-	2.80	-
10-Nov-21	Zigr	-	0.90	-	0.90	-
09-Nov-21	Stratos (Canada)	ERM Group	-	-	-	-
08-Nov-21	360 Environmental	Charterhouse Capital Partners	-	-	-	-
08-Nov-21	Indwe Risk Services	Santam	8.35	-	-	-
05-Nov-21	Leone Kapital	Eurazeo Pme	-	-	-	-
04-Nov-21	Environmental Profiles	J.S. Held	-	-	-	-
04-Nov-21	Global Affairs Associates	ClimeCo	-	-	-	-
04-Nov-21	Infrastructure Resources	-	-	-	-	-
04-Nov-21	Zigr	-	1.80	-	1.80	-
03-Nov-21	Kaufman, Hall and Associates	Vizient (Texas)	-	-	-	-
01-Nov-21	AVATA	Rockwell Automation	-	-	-	-
01-Nov-21	AVATA	H G Ventures	-	-	-	-

# Appendix

*Public Basket  
Contact Information*



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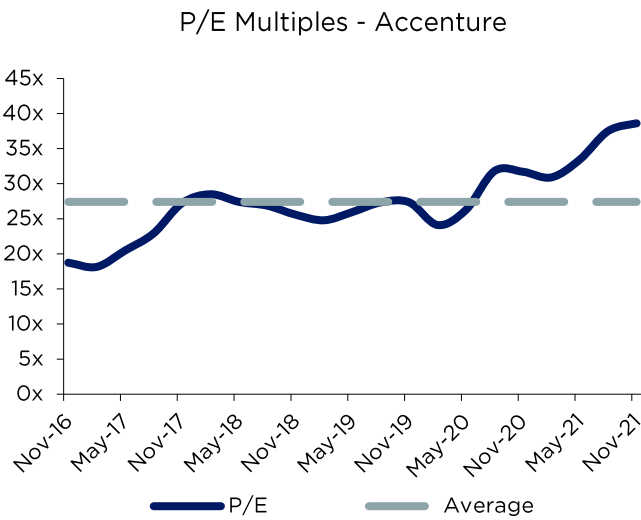
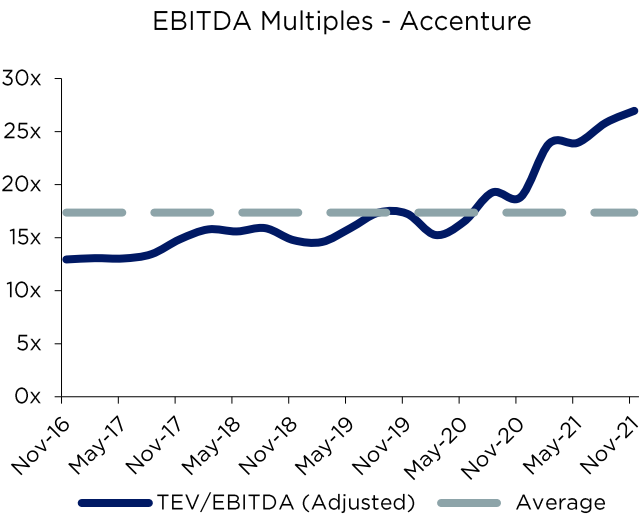
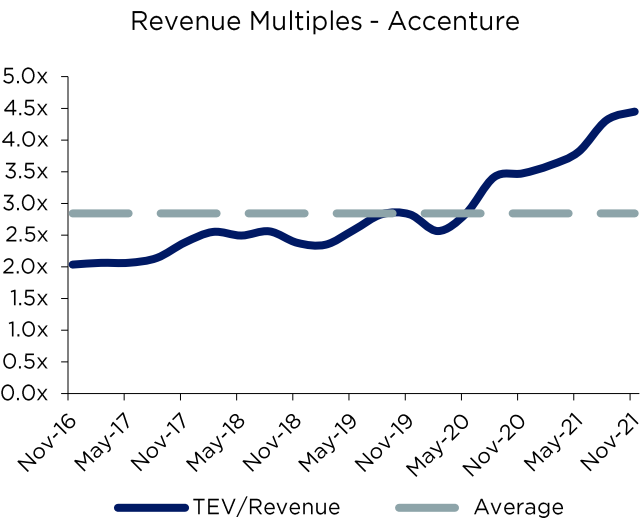
## Accenture

**Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.**

Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services. These services run the gamut from aiding enterprises with digital transformation to procurement services to software system integration. The company provides its IT offerings to a variety of sectors, including communications, media and technology, financial services, health and public services, consumer products, and resources. Accenture employs just under 500,000 people throughout 200 cities in 51 countries.

# Public Basket

Accenture



Company Name	Date	Deal Synopsis
Advoco (EAM)	05-Oct-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on October 5, 2021. The acquisition helps Accenture to scale its capabilities for intelligent asset management solutions.
BIIT Consulting	20-Sep-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on September 20, 2021. The acquisition will bolster Accenture's capabilities as it address the growing demand for AI services within the region, and help its clients unlock greater value from its data.
Blue Horseshoe	10-Sep-21	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on September 10, 2021. The acquisition expands Accenture's capabilities for helping clients create supply chains that are interconnected, intelligent and innovative.



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Booz Allen

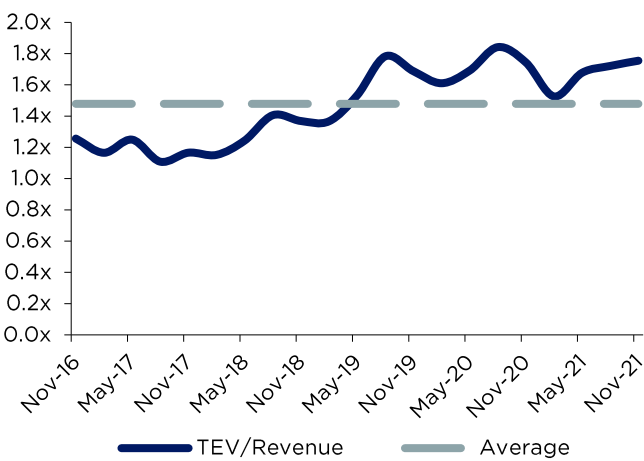
## Booz Allen Hamilton Holding Corp is a provider of management consulting services to the U.S.

Booz Allen Hamilton Holding Corp is a provider of management consulting services to the U.S. government. Other services offered include technology, such as cloud computing and cybersecurity consulting, and engineering consulting. The consulting services are focused on defense, intelligence, and civil markets. In addition to the U.S. government, Booz Allen Hamilton provides its management and technology consulting services to large corporations, institutions, and nonprofit organizations. The company assists clients in long-term engagements around the globe.

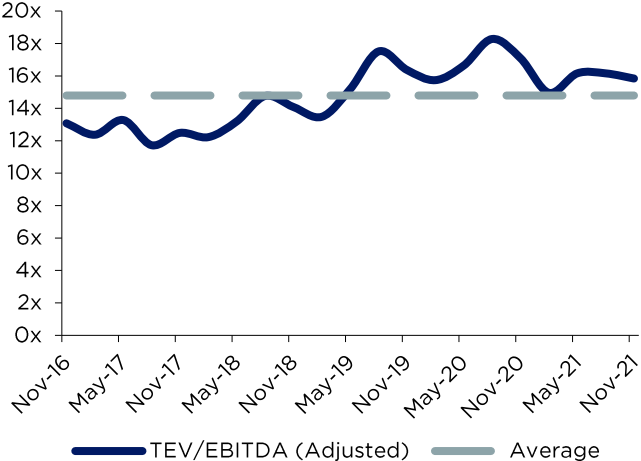
# Public Basket

Booz Allen

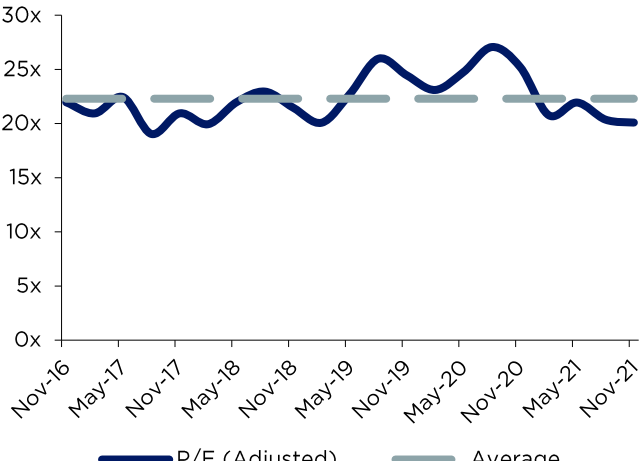
Revenue Multiples - Booz Allen



EBITDA Multiples - Booz Allen



P/E Multiples - Booz Allen



Company Name	Date	Deal Synopsis
Tracepoint	13-Sep-21	The company was acquired by Booz Allen (NYS: BAH) for an undisclosed amount on September 13, 2021. Booz Allen intends to integrate its Commercial Cyber business with the company in early 2022 as part of its long-term growth plan to create a scaled business in three key areas: incident response, enterprise consulting, and managed services.
Liberty IT Solutions	14-Jun-21	The company was acquired by Booz Allen (NYS: BAH) for \$725 million on June 14, 2021. The acquisition will broaden and deepen Booz Allen's digital solutions capabilities, expand its talent base and service delivery models, and strengthen its ability to work with strategic industry partners to help clients adapt and transform.
Obruta Space Solutions	19-Apr-21	The company joined Catalyst Space Accelerator as a part its On-Orbit Servicing, Assembly, And Manufacturing Cohort on April 19, 2021 and received \$15,000 in funding in the form of grant. Concurrently, Booz Allen invested in the company.

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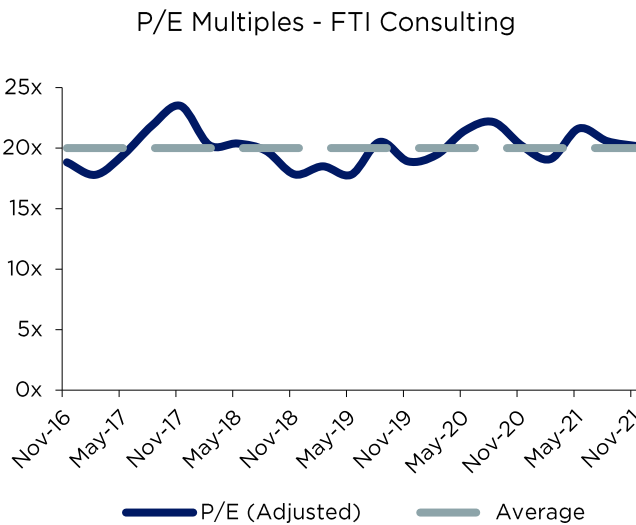
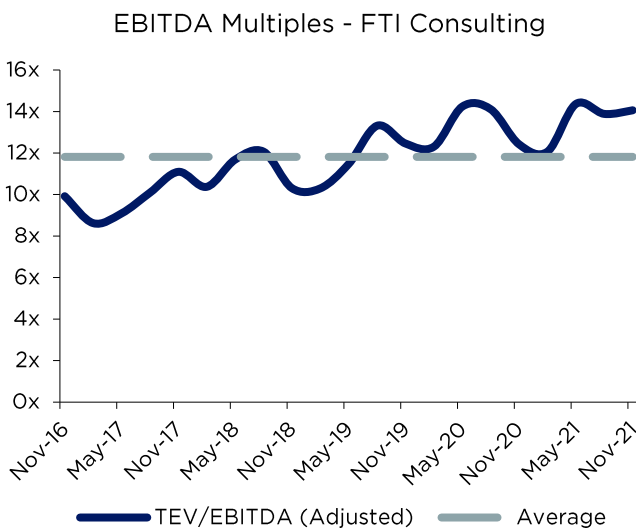
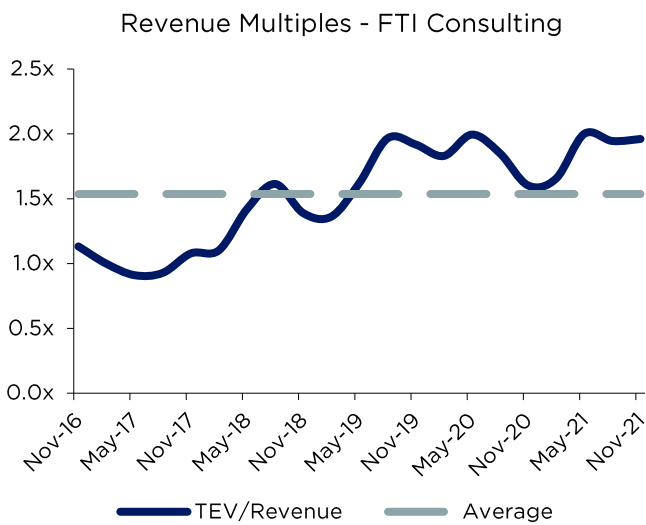
## FTI Consulting

**FTI Consulting Inc is a firm that generates its sales by providing professional business advisory services to customers.**

FTI Consulting Inc is a firm that generates its sales by providing professional business advisory services to customers. The company operates through five segments, namely corporate finance and restructuring, forensic and litigation consulting, economic consulting, technology, and strategic communications. Customers of the company come from a wide array of sectors, including construction, energy and power, environmental, financial institutions, healthcare and life science, insurance, real estate and infrastructure, retail and consumer products, telecom, media, and technology. The majority of the company's revenue is derived from serving customers in the United States.

# Public Basket

## FTI Consulting



Company Name	Date	Deal Synopsis
TravelTek	23-Jun-21	The company raised GBP 1.3 million of venture funding from FTI Consulting and YFM Equity Partners on June 23, 2021. The funds will be used to expedite the journey to not only reinvent and rebuild its core product, but also create the world's leading travel technology platform.
The Rhodes Group	03-May-21	The company was acquired by FTI Consulting (NYS: FCN) for an undisclosed amount on May 3, 2021. The acquisition will further enhance FTI Consulting's leading construction advisory, dispute resolution and expert testimony capabilities in North America and provide the company's existing clients with access to FTI Consulting's global, diversified platform.

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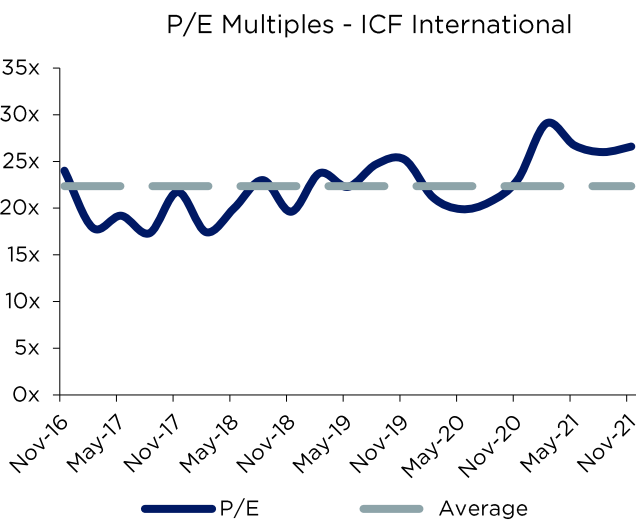
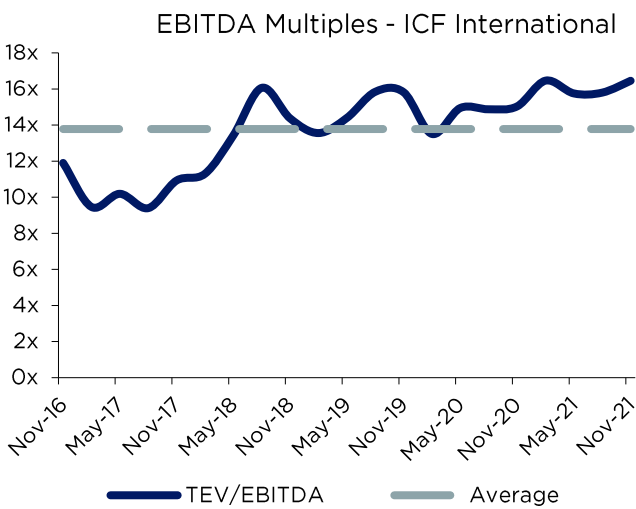
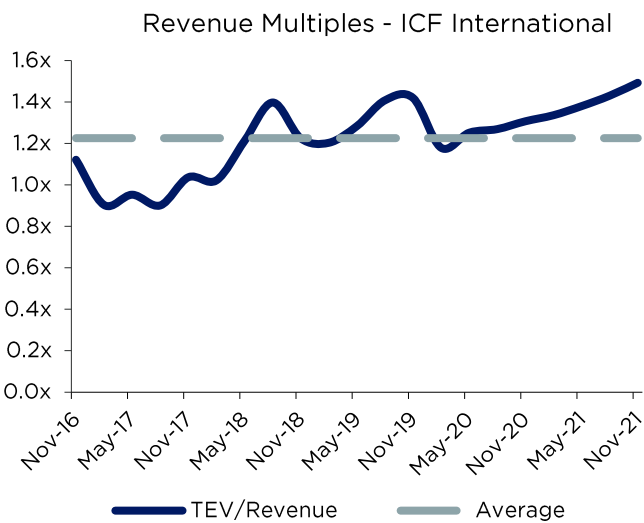
## ICF International

**ICF International Inc provides professional services and technology-based solutions to government and commercial clients, including management, marketing, technology, and policy consulting and implementation services.**

ICF International Inc provides professional services and technology-based solutions to government and commercial clients, including management, marketing, technology, and policy consulting and implementation services. Its services primarily support clients that operate in four key markets that include Energy, Environment, and Infrastructure, Health, Education, and Social Programs, Safety and Security and Consumer and Financial. The Company's major clients are United States federal government departments and agencies.

# Public Basket

## ICF International



Company Name	Date	Deal Synopsis
Incentive Technology Group	31-Jan-20	The company was acquired by ICF International (NAS: ICFI) for \$255 million on January 31, 2020. The acquisition significantly expands ICF's IT modernization services to U.S. federal government clients
We are Vista	04-Oct-18	The company was acquired by ICF (NAS: ICFI) for an undisclosed amount on October 4, 2018. This acquisition will enhance the support acquirer offer both their public and private sector clients in Europe.

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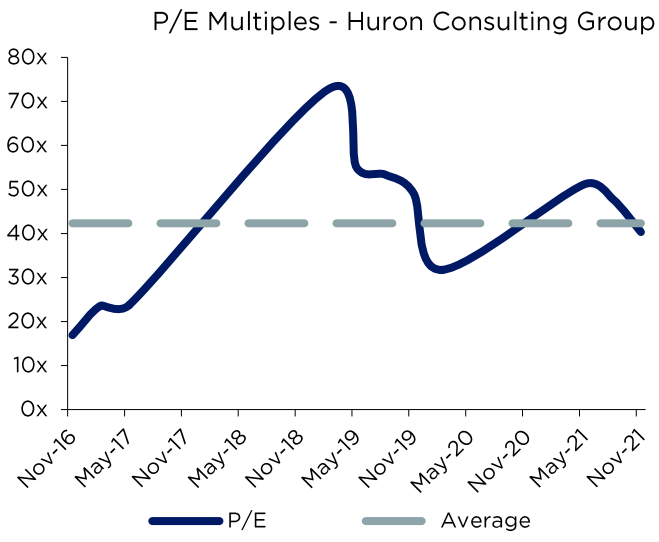
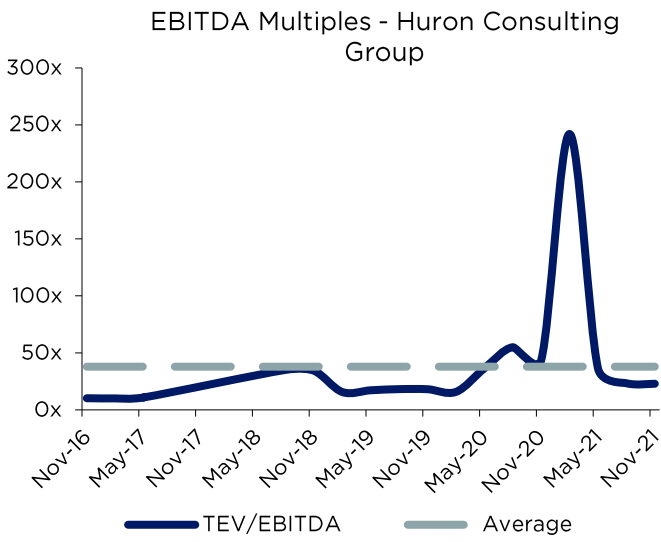
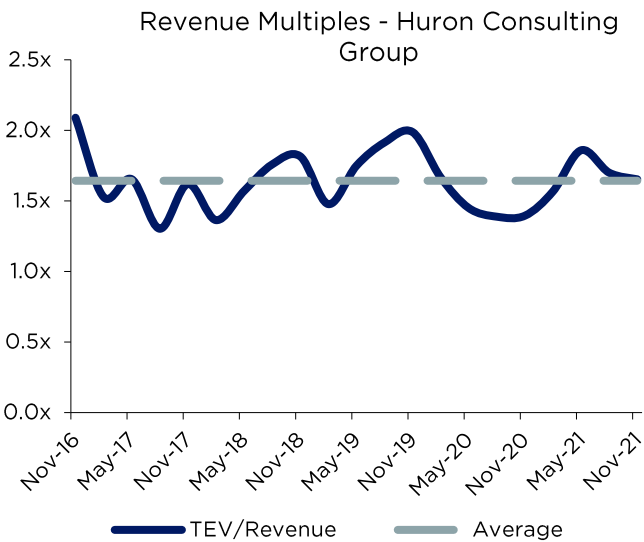
## Huron Consulting Group

# Huron Consulting Group Inc is a professional services firm.

Huron Consulting Group Inc is a professional services firm. The company provides expertise in strategy, technology, operations, advisory services, & analytics through three operating segments namely Healthcare, Education, and Business Advisory. Healthcare segment helps the firms to transform and innovate the delivery model to focus on patient wellness by improving quality outcomes, minimizing care variation and fundamentally improving patient and population health, Education segment provides management consulting and technology solutions, and Business Advisory segment provides services to large and middle-market organizations, not-for-profit organizations, and private equity firms. It generates a majority of its revenue from the Healthcare Segment.

# Public Basket

## Huron Consulting Group



Company Name	Date	Deal Synopsis
Unico Solution	01-Feb-21	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on February 1, 2021. The acquisition expands Huron's data management and governance capabilities to help clients better manage their data to optimize their operations and drive cloud adoption.
ForcelQ	01-Nov-20	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on November 1, 2020. The acquisition expands Huron's industry-specific cloud software capabilities and also accelerates Huron's commitment to helping its clients better compete in disruptive and highly competitive markets.
Proto (Business/Productivity Software)	31-Dec-19	The company raised CAD 2.1 million of venture funding in a deal led by Huron Consulting Group on December 31, 2019. Celtic House Asia Partners and Earnest Capital also participated in this round.



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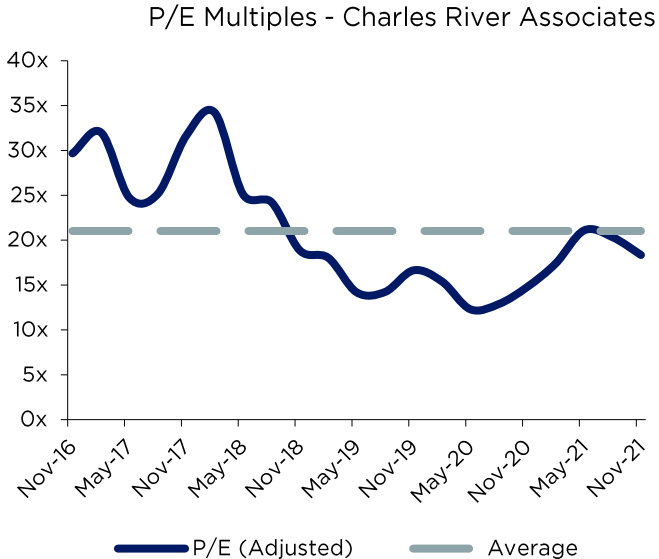
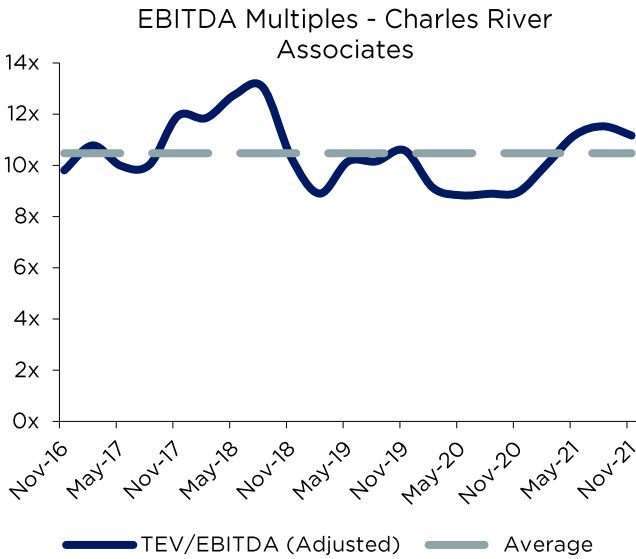
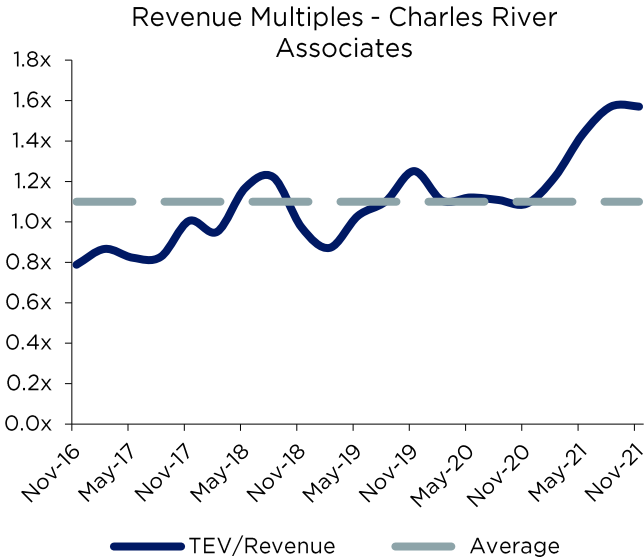
## Charles River Associates

**CRA International Inc is a U.S.-based advisory firm that provides economic, financial, and management consultancy services.**

CRA International Inc is a U.S.-based advisory firm that provides economic, financial, and management consultancy services. The company advises clients on economic and financial issues relating to litigation and regulatory proceedings and helps businesses set important business strategies and solve performance-related issues. The company's clients include domestic and foreign companies, government agencies, public and private utilities, and national and international trade associations. Also, CRA International owns a majority stake in NeuCo, a company that develops and markets neutral network software tools and related application consultancy services. CRA International generates almost all its revenue from the United States and the United Kingdom.

# Public Basket

## Charles River Associates



Company Name	Date	Deal Synopsis
C1 Consulting	30-Jan-17	The company was acquired by CRA International (NASDAQ: CRAI) for \$19.16 million on January 30, 2017. This acquisition helps CRA International to enhance its capabilities in advanced analytics and market research as well as broaden its commercialization strategy offering, particularly relating to rare and orphan diseases.
Navigant Consulting (Economics Operations)	31-Jan-13	The Economics Practice Operations of Navigant Consulting was acquired by CRA International (NASDAQ: CRAI) for an undisclosed amount on January 31, 2013.
Marakon Associates	10-Jun-09	The company was acquired by CRA International (NASDAQ: CRAI) for an undisclosed amount on June 10, 2009.

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## The Hackett Group

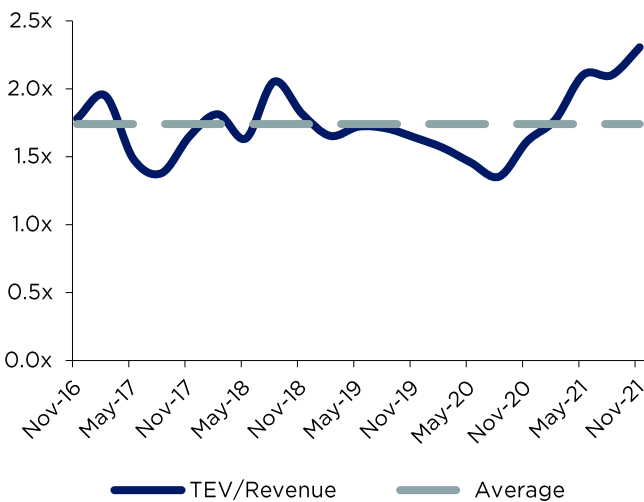
# The Hackett Group Inc is an advisory firm for numerous departments.

The Hackett Group Inc is an advisory firm. The company's offerings include executive advisory programs, benchmarking, business transportation, and technology advisory services. The company's executive and practices advisory programs offer performance metrics, peer-learning opportunities, and practice implementation practices. Benchmarking services help organizations measure and assess internal efficiency and effectiveness. The business transformation programs help customers develop strategies to improve performance. The company's technology advisory services help clients improve decision-making capabilities and deploy software applications. The Hackett Group generates the majority of its revenue in the United States.

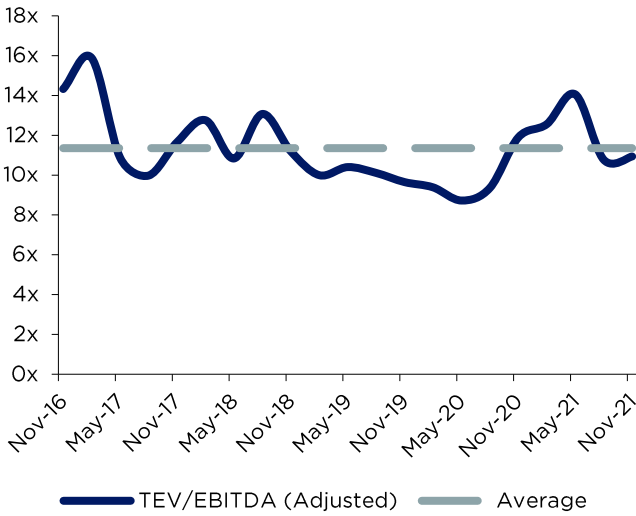
# Public Basket

## The Hackett Group

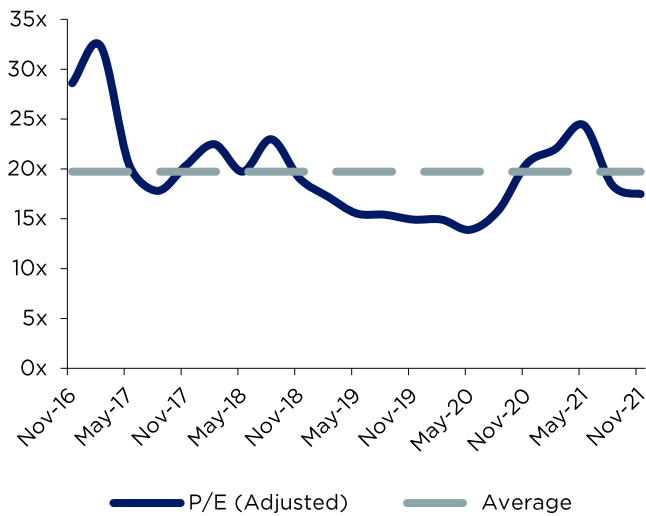
Revenue Multiples - The Hackett Group



EBITDA Multiples - The Hackett Group



P/E Multiples - The Hackett Group



Company Name	Date	Deal Synopsis
Jibe Consulting	01-May-17	The company was acquired by The Hackett Group (NAS: HCKT) for an undisclosed amount on May 1, 2017. The acquisition will enable the acquirer to expand its technology consulting services.
Aecus	06-Apr-17	The company was acquired by The Hackett Group (NASDAQ:HCKT) for an undisclosed amount on April 6, 2017. The acquisition strongly complements the global strategy and business transformation offerings of the Hackett Group.
Archstone Consulting	11-Nov-09	The company was acquired by the Hackett Group (NASDAQ: HCKT) for \$18 million on November 11, 2009. Terry Graunke, chairman of Lake Capital joined The Hackett Group's board of directors following the transaction.

# Contact Info

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As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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